

Date: July 09, 2020

To  
The Department of Corporate Services  
BSE Limited  
P J Towers, Dalal Street  
Mumbai-400001

**Sub: Outcome of Board Meeting held on July 09, 2020 and Submission of Audited Standalone and Consolidated Financial Results & Recommendation of Dividend**

**Ref: Security Code - 511605; ISIN – INE420B01028**

Dear Sir,

Pursuant to Regulation 30 read with Schedule III and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company at its Meeting held today i.e. July 09, 2020, inter-alia, approved the following:

1. Audited financial results of the Company for the quarter and financial year ended March 31, 2020.
2. Recommendation of dividend of Rs. 1/- (20%) per equity share of face value of Rs. 5/- each to the Shareholders of the Company which shall be subject to their approval at the ensuing Annual General Meeting.

We are submitting herewith Standalone and Consolidated Audited Financial Results for the year ended on 31<sup>st</sup> March, 2020 along with Auditor's Report(s) and thereon declaration (for unmodified opinion) pursuant to Regulation 33 of Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015.

The Meeting of the Board of Directors commenced at 03:30 pm and concluded at 06:50 pm.

This is for your information and record.

Thanking you  
Yours faithfully

**For Arihant Capital Markets Limited**

  
**Mahesh Pancholi**  
**(Company Secretary)**  
M. No. F-7143



**ARIHANT CAPITAL MARKETS LTD.**

Member of NSE, BSE, NSDL, CDSL

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**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

S. No.	Particulars	STAND ALONE					CONSOLIDATED				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		Refer Note 3	Unaudited	Refer Note 3	Audited	Audited	Refer Note 3	Unaudited	Refer Note 3	Audited	Audited
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
1	Revenue From Operations										
	a) Interest Income	654.22	634.38	765.85	2,728.68	2,763.54	679.63	654.99	745.41	2,923.71	3,103.48
	b) Dividend Income	0.85	3.17	0.65	76.35	14.14	0.85	3.17	0.65	76.59	14.14
	c) Fees and Commission Income	1,061.95	1,203.12	1,239.36	4,601.80	4,995.43	1,080.73	1,260.43	1,381.64	4,930.07	5,532.60
	d) Net Gain on fair value changes	174.62	59.43	153.45	497.98	175.78	170.83	59.61	153.37	491.83	179.87
	e) Sale of Products	-	-	-	-	-	102.93	199.61	126.07	638.72	493.18
	f) Other Operating Income	0.18	2.76	3.20	9.13	3.20	0.18	3.26	3.20	9.13	3.20
	<b>Total Revenue From Operations</b>	<b>1,891.83</b>	<b>1,902.86</b>	<b>2,162.52</b>	<b>7,913.93</b>	<b>7,952.09</b>	<b>2,035.16</b>	<b>2,181.06</b>	<b>2,410.34</b>	<b>9,070.04</b>	<b>9,326.45</b>
2	Other Income	8.87	0.71	9.33	11.97	24.36	6.15	1.95	0.20	17.60	103.28
3	<b>TOTAL INCOME (1+2)</b>	<b>1,900.70</b>	<b>1,903.57</b>	<b>2,171.85</b>	<b>7,925.90</b>	<b>7,976.45</b>	<b>2,041.32</b>	<b>2,183.02</b>	<b>2,410.54</b>	<b>9,087.64</b>	<b>9,429.73</b>
4	Expenditure										
	a) Finance Cost	154.20	154.37	174.30	771.76	865.61	159.26	162.08	216.44	807.56	994.53
	b) Fees and commission expense	633.18	558.23	608.58	2,318.72	2,587.49	642.15	608.65	712.93	2,585.75	3,013.09
	c) Impairment on financial instruments	25.41	10.00	5.98	50.41	5.98	278.55	10.00	84.52	303.55	84.52
	d) Cost of Sales	-	-	-	-	-	63.26	112.43	30.05	363.19	284.28
	e) Employees Benefit Expenses	378.58	349.51	385.57	1,440.64	1,332.85	408.58	386.62	431.57	-1,575.52	1,512.17
	f) Depreciation and amortisation Expenses	26.75	31.64	30.59	115.34	114.38	32.95	33.85	34.11	128.07	119.81
	g) Administrative & Other Expenditure	212.38	228.40	202.93	900.22	865.08	249.94	253.55	174.30	1,031.75	1,009.42
	<b>TOTAL EXPENDITURE (4)</b>	<b>1,430.50</b>	<b>1,332.15</b>	<b>1,407.95</b>	<b>5,597.10</b>	<b>5,771.39</b>	<b>1,834.68</b>	<b>1,567.17</b>	<b>1,683.93</b>	<b>6,795.39</b>	<b>7,017.82</b>
5	Profit/(Loss) before Tax & Exceptional Item (3-4)	470.19	571.42	763.90	2,328.80	2,205.06	206.63	615.84	726.61	2,292.25	2,411.91
6	Exceptional Items	-	-	-	-	-	-	-	-	-	-
7	Profit/(Loss) before Tax (5-6)	470.19	571.42	763.90	2,328.80	2,205.06	206.63	615.84	726.61	2,292.25	2,411.91
8	Tax Expense	59.20	178.08	210.93	552.74	652.09	(11.99)	185.61	228.95	543.47	736.57
9	Net Profit/(Loss) for the period (7-8)	411.00	393.34	552.97	1,776.06	1,552.97	218.63	430.23	497.66	1,748.78	1,675.35
10	Other Comprehensive Income										
	A) (i) Items that will not be reclassified to profit or loss	(0.13)	-	2.91	(0.13)	2.91	4.79	-	4.32	4.79	4.32
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	-	(0.85)	0.03	(0.85)	(1.20)	-	(1.24)	(1.20)	(1.24)
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	7.63	1.13	(0.04)	11.73	6.75
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	1.07	(0.29)	1.76	-	-
	Other Comprehensive Income / (loss) (net of tax)	(0.10)	-	2.06	(0.10)	2.06	12.27	0.84	4.81	15.31	9.83
11	<b>Total comprehensive Income (9+10)</b>	<b>410.90</b>	<b>393.34</b>	<b>555.02</b>	<b>1,775.96</b>	<b>1,555.03</b>	<b>230.90</b>	<b>431.06</b>	<b>502.47</b>	<b>1,764.09</b>	<b>1,685.18</b>
12	Paid up Equity Share Capital (Face Value per share)	1,041.13 5/-	1,041.13 5/-	1,041.13 5/-	1,041.13 5/-	1,041.13 5/-	1,041.13 5/-	1,041.13 5/-	1,041.13 5/-	1,041.13 5/-	1,041.13 5/-
13	Earnings Per Share (Rs.)										
	Basic & Diluted EPS (Rs.) Excluding extraordinary items	1.97	1.89	2.66	8.53	7.46	1.05	2.07	2.39	8.40	8.05
	Basic & Diluted EPS (Rs.) Including extraordinary items	1.97	1.89	2.66	8.53	7.46	1.05	2.07	2.39	8.40	8.05



	Standalone		Consolidated	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>ASSETS</b>				
<b>1 Financial assets</b>				
a. Cash and cash equivalents	5,095.76	778.67	5,306.30	1,466.60
b. Bank balance other than (a) above	10,502.18	7,846.71	10,548.32	9,780.42
c. Securities for trade	964.88	945.49	964.88	945.49
d. Receivables				
(i) Trade receivables	6,432.58	12,796.42	7,523.67	12,871.52
e. Loans	1,630.68	780.00	1,198.62	1,563.29
f. Investments	2,128.05	1,947.81	757.28	577.05
g. Other financial assets	1,769.39	1,269.12	1,938.96	1,404.13
	<b>28,523.53</b>	<b>26,364.21</b>	<b>28,238.05</b>	<b>28,608.50</b>
<b>2 Non financial assets</b>				
a. Inventories	-	-	2,847.01	3,196.00
b. Current tax assets (net)	22.37	-	35.26	1.61
c. Deferred tax assets (net)	-	-	47.36	6.25
d. Investment Property	-	-	185.27	185.27
e. Property, plant and equipment	879.43	901.06	1,826.24	1,850.85
f. Other intangible assets	60.43	68.27	70.88	69.10
g. Other non financial assets	197.52	281.67	340.21	359.20
	<b>1,159.75</b>	<b>1,251.00</b>	<b>5,352.23</b>	<b>5,668.29</b>
<b>Total Assets</b>	<b>29,683.28</b>	<b>27,615.21</b>	<b>33,590.28</b>	<b>34,276.79</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial Liabilities</b>				
a. Derivative financial instruments	1.96	-	1.96	-
b. Payables				
i) Trade Payables				
i) Total outstanding dues of micro & small enterprises	-	-	-	-
ii) Total outstanding dues of creditors other than micro & small enterprises	11,529.20	4,160.07	11,533.48	6,094.08
c. Borrowings	3,479.06	9,770.24	4,140.32	10,916.44
d. Other financial Liabilities	1,738.29	2,371.27	1,750.88	2,624.51
	<b>16,748.51</b>	<b>16,301.59</b>	<b>17,426.64</b>	<b>19,635.02</b>
<b>2 Non Financial Liabilities</b>				
a. Current Tax Liabilities (net)	-	40.27	9.59	62.89
b. Provisions	209.12	174.98	226.48	215.90
c. Deferred Tax Liabilities (net)	45.26	47.12	45.26	47.12
d. Other non financial liabilities	226.71	199.69	921.18	859.38
	<b>481.08</b>	<b>462.05</b>	<b>1,202.50</b>	<b>1,185.28</b>
<b>3 Equity</b>				
a. Equity share capital	1,041.13	1,041.13	1,041.13	1,041.13
b. Other equity	11,412.55	9,810.45	13,920.00	12,415.36
	<b>12,453.68</b>	<b>10,851.57</b>	<b>14,961.13</b>	<b>13,456.49</b>
<b>Total Liabilities &amp; Equity</b>	<b>29,683.28</b>	<b>27,615.21</b>	<b>33,590.28</b>	<b>34,276.79</b>



## Statement of Cash Flow Statement for the year ended 31st March,2020

₹ in Lakhs

Particulars	Standalone		Consolidated	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Cash flow (used in) / generated from operating activities</b>				
Profit before tax	2,328.80	2,205.06	2,292.25	2,411.91
Add / (less) : Adjustments				
Net (gain)/loss on Fair value changes of Securities for trade	(70.44)	(24.92)	(70.44)	(24.92)
(Profit) / Loss on sale of fixed assets	(0.13)	(9.69)	(0.13)	(9.69)
(Profit) / Loss on sale of Investments	35.77	80.25	35.77	80.30
Depreciation / amortisation	115.34	114.38	128.07	119.81
Interest paid on borrowings	685.21	826.07	710.90	881.50
Dividend income	(76.35)	(14.14)	(76.59)	(14.14)
Foreign Currency Translation Reserve	-	-	11.73	6.75
<b>Operating profit before working capital changes</b>	<b>3,018.22</b>	<b>3,177.01</b>	<b>3,031.56</b>	<b>3,451.51</b>
<u>Adjustments for changes in working capital:</u>				
-Increase/(Decrease) in Other bank balance	(2,655.47)	(4,526.63)	(767.91)	(5,050.25)
-Increase/(Decrease) in Securities for Trade	51.04	363.80	51.04	363.80
-Increase/(Decrease) in Trade and other receivables	6,363.84	(1,225.33)	5,347.85	(1,178.08)
-Increase/(Decrease) in Inventories	-	-	348.99	181.66
-Increase/(Decrease) in Loans	(850.68)	143.16	364.67	(1,048.23)
-Increase/(Decrease) in Other financial assets	(500.27)	2,668.96	(534.84)	3,171.57
-Increase/(Decrease) in Other non financial assets	76.04	(81.38)	0.70	39.02
-Increase/(Decrease) in Derivative financial instruments	1.96	-	1.96	-
-Increase/(Decrease) in Trade payables	7,369.12	16.32	5,439.40	(594.59)
-Increase/(Decrease) in Other financial liabilities	(632.98)	809.49	(873.63)	826.36
-Increase/(Decrease) in Other non financial liabilities	27.02	29.00	61.80	98.03
-Increase/(Decrease) in Provisions	34.01	16.60	15.37	23.82
Cash generated from operations	<b>12,301.84</b>	<b>1,391.01</b>	<b>12,486.98</b>	<b>284.62</b>
Income tax paid (net)	(609.11)	(609.28)	(656.30)	(687.84)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>11,692.74</b>	<b>781.73</b>	<b>11,830.68</b>	<b>(403.22)</b>
<b>Cash flow (used in) / generated from Investing activities</b>				
- (Purchase) / Proceeds from sale of property, plant and equipment	(85.74)	(64.75)	(105.10)	(116.60)
- (Purchase) / Proceeds from sale of investments	(216.01)	(330.35)	(216.01)	(300.40)
- Dividend income received	76.35	14.14	76.59	14.14
<b>Net cash (used in)/ generated from investing activities(B)</b>	<b>(225.40)</b>	<b>(380.96)</b>	<b>(244.52)</b>	<b>(402.86)</b>
<b>Cash flow (used in) / generated from Financing activities</b>				
- Dividend paid	(156.17)	(156.17)	(227.17)	(156.17)
- Dividend distribution tax paid	(17.68)	(32.10)	(32.28)	(32.10)
- Interest paid	(685.21)	(826.07)	(710.90)	(881.50)
- Increase/ (Decrease) in borrowings	(6,291.18)	626.78	(6,776.12)	1,407.97
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(7,150.24)</b>	<b>(387.56)</b>	<b>(7,746.46)</b>	<b>338.21</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4,317.09</b>	<b>13.20</b>	<b>3,839.70</b>	<b>(467.87)</b>
Cash and cash equivalents at the beginning of the period	778.67	765.46	1,466.60	1,934.47
<b>Cash and cash equivalents at the end of the period</b>	<b>5,095.76</b>	<b>778.67</b>	<b>5,306.30</b>	<b>1,466.60</b>
<b>Cash and cash equivalents comprise of</b>				
Cash and cheques in hand	9.36	3.21	14.92	5.92
Balances with scheduled banks	5,086.40	775.46	5,291.38	1,460.68
<b>Total</b>	<b>5,095.76</b>	<b>778.67</b>	<b>5,306.30</b>	<b>1,466.60</b>



**Notes:**

- 1 The above Audited Financial Results of the Company for the Quarter and Year ended on March 31st, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors in the Meeting held on 9th July, 2020. The Statutory Auditors have conducted audit of these results in terms of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended.
- 2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.  
  
This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding adjustments pertaining to comparative previous period / quarter as presented in these financial results have been restated / reclassified in order to conform to current period presentation.  
  
These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 31st March 2020 based on the Press Release issued by the Ministry of Corporate Affairs ("MCA") on 18 January 2016. Any application guidance/ clarifications/ directions issued by regulators are implemented as and when they are issued/ applicable.
- 3 The figures for the quarter ended 31st March 2020 and 31st March 2019 represents the balance between audited financial in respect of the full financial year and those published till the third quarter of the respective financial years.
- 4 The Board of Directors, have recommended a Dividend for the financial year ended on 31/03/2020 @ 20% (i.e. Rs.1/- ) per equity share to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting. The date of book closure for the entitlement of such dividend and Annual General Meeting shall be decided and informed in due course of time.
- 5 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended on 31st March 2020
- 6 Covid- 19 outbreak was declared as a global pandemic. Indian Government have followed as approach of complete lockdown since March 23, 2020, during which only defined essential services were operating with limited capacity. Stock broking services has been declared as an essential services and accordingly, the Company has been in operation consistently with minimal permitted staff. Accordingly, as of March 31, 2020 based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern.
- 7 Reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS for the quarter and year ended 31st March, 2019 are as under:

Description	Standalone		Consolidated	
	Quarter Ended 31.03.2019	Year Ending on 31.03.2019	Quarter Ended 31.03.2019	Year Ending on 31.03.2019
Net Profit as per Previous GAAP (Indian GAAP)	484.23	1,683.39	525.18	1,902.02
<b>GAAP adjustments:</b>				
Reclassification of net actuarial gain on employee defined benefit obligation to OCI	(2.91)	(2.91)	(4.32)	(4.32)
Decrease in revenue from sale of plots	-	-	(760.53)	(760.53)
Decrease in cost of sale	-	-	672.19	672.19
Due to change in functional Currency of subsidiary	-	-	(7.29)	(7.29)
Gain on Fair Valuation of Securities for Trade	13.77	24.92	13.77	24.92
Gain/(loss) on Fair Valuation of Investments	45.02	(165.28)	45.02	(165.28)
Deferred tax on above	12.84	12.84	13.64	13.64
<b>Total GAAP adjustments</b>	<b>68.73</b>	<b>(130.42)</b>	<b>(27.52)</b>	<b>(226.67)</b>
<b>Net profit after tax (before OCI) as per Ind AS</b>	<b>552.96</b>	<b>1,552.97</b>	<b>497.66</b>	<b>1,675.35</b>
Other Comprehensive Income (net of Income Tax)				
Remeasurements of the defined benefit plans	2.06	2.06	3.08	3.08
Foreign Currency Translation Reserve			1.73	6.75
<b>Total Comprehensive Income under Ind AS</b>	<b>555.02</b>	<b>1,555.03</b>	<b>502.47</b>	<b>1,685.18</b>



Reconciliation of net worth reported in accordance Indian GAAP to net worth in accordance with Ind AS for the year ended 31st March, 2019 are as under:

Description	Standalone	Consolidated
	For the year ended 31st March, 2019	For the year ended 31st March, 2019
<b>Net worth under previous GAAP</b>	<b>10,909.71</b>	<b>13,603.10</b>
<b>GAAP adjustments:</b>		
Gain on Fair Valuation of Securities for Trade	25.80	25.80
Foreign Currency Translation Reserve		3.71
Due to change in functional Currency of subsidiary		(4.11)
Gain/(loss) on Fair Valuation of Investments	(86.50)	(86.50)
Decrease in profit after tax on adoption of Ind-AS 115		(88.34)
Deferred tax impact on above adjustments	2.56	2.82
<b>Total GAAP adjustments</b>	<b>(58.14)</b>	<b>(146.61)</b>
<b>Net worth under Ind AS</b>	<b>10,851.57</b>	<b>13,456.49</b>

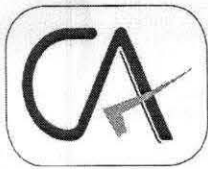
- 8 There is no reportable segment pursuant to Ind AS-108.  
 9 Figures pertaining to previous year/periods have been re-grouped and re-arranged wherever necessary .

By or on behalf of the Board  
 For Arihant Capital Markets Limited



Ashok Kumar Jain  
 Chairman & Managing Director  
 DIN : 00184729

Place: Indore  
 Date : July 9, 2020



**DINESH AJMERA & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

901, Scheme No 114, Part -1

A. B. Road Indore (M.P.)

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**Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of Arihant Capital Markets Limited**

**Opinion**

We have audited the accompanying standalone annual financial results of Arihant Capital Markets Limited ('the company') for the year ended 31 March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), including relevant circulars issued by the SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the companies Act, 2013 ('the Act'), read with relevant rules thereunder, and other accounting principles generally accepted in India of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

**Board of Directors' Responsibilities for the Standalone Financial Results**

These Standalone financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Board of Directors are responsible for the preparation of these Standalone financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information of the company in accordance with Indian Accounting Standard prescribed under Section 133 of the Act read with relevant



rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on





the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

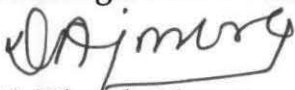
#### Other Matters

The Statement includes the standalone financial results for the quarter ended 31 March 2020, being the balancing figures between the audited standalone figures in respect of the full financial year and the published unaudited year-to-date standalone figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Dinesh Ajmera & Associates

Chartered Accountants

Firm Reg. No:011970C



CA Dinesh Ajmera

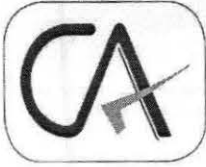
Partner

Membership No. :402629

UDIN : 20402629AAAAAJ9909

Indore, July 9, 2020





**Independent Auditor's Report on yearly Consolidated Financial Results and Consolidated Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of Arihant Capital Markets Limited**

**Opinion**

We have audited the accompanying consolidated annual financial results ('the Statement') of Arihant Capital Markets Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports on separate audited financial statements of the subsidiaries, the aforesaid consolidated financial results:

- i. includes the annual financial results of the following entities
  1. Arihant Futures and Commodities Limited
  2. Arihant Financial Services Limited
  3. Arihant Lifespace Infra Developers Limited
  4. Arihant Insurance Broking Services Limited
  5. Arihant Investment Advisers Private Limited (Formerly - Arihant Financial Planners and Advisors Private Limited)
  6. Ahinsa Lifespace Infraheight Limited
  7. Arihant Asset Management Limited (Formerly- Arihant Housing Finance Corporation Limited)
  8. Arihant Capital (IFSC) Limited
- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- iii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.



## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

## **Board of Director's Responsibilities for the Consolidated Financial Results**

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.



## Auditor's Responsibility for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.



We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

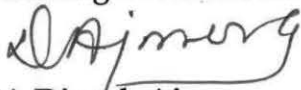
#### Other Matters

The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Dinesh Ajmera & Associates

Chartered Accountants

Firm Reg. No:011970C



CA Dinesh Ajmera

Partner

Membership No. :402629

UDIN : 20402629AAAAAL8225

Indore, July 9, 2020



Date: 09/07/2020

To,  
The Department of corporate services  
BSE limited  
P J Towers,  
Dalal Street, Fort  
Mumbai-400001

Scrip code: 511605

**Sub.: Declaration of Unmodified opinion in Audit report pertaining to financial results for the year ended on March, 31<sup>st</sup>, 2020**

**Ref.: Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015)**

Dear Sir,

Pursuant to provision of Regulation 33 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 as amended by SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 we hereby declare that there was **Unmodified opinion** by the Auditors in their Audit reports issued for Standalone and Consolidated Financial Results of the Company for the **4<sup>th</sup> quarter** and for the year ended on **31<sup>st</sup> March, 2020**.

You are requested to please find the same and take it on your record.

Thanking you

For Arihant Capital Markets Limited

For Arihant Capital Markets Limited

  
Ashok Kumar Jain  
Chairman and Managing Director  
(DIN: 00184729)



  
Tarun Goyal  
Chief Financial Officer

**ARIHANT CAPITAL MARKETS LTD.**  
Member of NSE, BSE, NSDL, CDSL

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